

AMENDED IN ASSEMBLY AUGUST 15, 2016

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SENATE BILL

No. 953

Introduced by Senator Lara
(Coauthor: Assembly Member Cristina Garcia)

February 4, 2016

An act to add Article 2 (commencing with Section 71730) to Chapter 5 of Part 5 of, and to add Part 11.6 (commencing with Section 72770) to, Division 20 of the Water Code, relating to the Central Basin Municipal Water District.

LEGISLATIVE COUNSEL'S DIGEST

SB 953, as amended, Lara. Central Basin Municipal Water District.

Existing law, the Municipal Water District Law of 1911, authorizes the formation of a municipal water district to acquire and sell water. The district law authorizes a municipal water district to make contracts.

This bill would prohibit the Central Basin Municipal Water District from using sole source contracts, except as prescribed. This bill would require the district to rebid a contract if the district significantly changes the scope of work of the contract. This bill would require the general manager of the district to submit a quarterly report to the district's board detailing all of the district's contracts, contract amendments, and contract and amendment dollar amounts. By imposing new duties on a municipal water district, this bill would impose a state-mandated local program.

~~The district law requires the board of directors of a municipal water district to consist of 5 members, and each member is required to be a resident of the division from which he or she is elected.~~

~~This bill would require the board of directors of the Central Basin Municipal Water District to consist of 7 members, 5 members elected~~

~~and 2 members with certain qualifications appointed by the board of supervisors of the County of Los Angeles, as prescribed. This bill would prohibit the Central Basin Municipal Water District from providing any member of its board of directors with district funds to conduct community outreach activities.~~

The district law provides that the board of directors of a municipal water district shall act only by ordinance, resolution, or motion which shall only pass to become effective with the affirmative vote of a majority of the members of the board.

This bill would require that no ordinance, motion, or resolution relating to the ethics, compensation, or benefits of the members of the Central Basin Municipal Water District board of directors be passed or become effective without the affirmative votes of $\frac{2}{3}$ of the members of the board.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Central Basin Municipal Water District.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would become operative only if AB 1794 of the 2015–16 Regular Session is enacted and becomes effective on or before January 1, 2017.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 2 (commencing with Section 71730) is
2 added to Chapter 5 of Part 5 of Division 20 of the Water Code, to
3 read:

4
5 Article 2. Central Basin Municipal Water District

6
7 71730. (a) For the purposes of this article, “district” means
8 the Central Basin Municipal Water District.

(b) It is the intent of the Legislature in enacting this article that the district make better use of the funds it spends on services, that it does not unnecessarily use amendments that limit competitive bidding for its contracts, and that its contract amendments reflect the authorization of the district's board.

71731. (a) The district shall not use sole source contracts unless one of the following conditions is met:

(1) The contract is limited to an emergency circumstance.

(2) The circumstances are that only one vendor can meet the district's needs.

(b) Before executing a sole source contract, the district shall provide written justification demonstrating the reasons for not competitively bidding the services. The justification shall include all of the following information:

(1) The background of the purchase.

(2) A description of the vendor's uniqueness.

(3) An explanation of the consequences of not purchasing from the vendor.

(4) Market research to substantiate a lack of competition.

(5) An analysis of pricing and alternatives.

71732. The district shall rebid a contract if the district significantly changes the scope of work of the contract. Significant changes include, but are not limited to, changes to the nature of the services or work products.

71733. The general manager of the district shall submit a quarterly report to the district's board detailing all of the district's contracts, contract amendments, and contract and amendment dollar amounts.

SEC. 2. Part 11.6 (commencing with Section 72770) is added to Division 20 of the Water Code, to read:

PART 11.6. CENTRAL BASIN MUNICIPAL WATER DISTRICT

~~72770. For the purposes of this part, the following terms have the following meanings:~~

~~(a) "District" means the Central Basin Municipal Water District.~~

~~(b) "Water purveyor" means any person who furnishes water service to another person.~~

~~72771. Notwithstanding any other provision of this division, the board of directors of the district shall consist of seven members who shall each serve four-year terms. The members of the board of directors shall be selected as follows:~~

~~(a) Five members of the board of directors shall be elected in accordance with Part 3 (commencing with Section 71250) and Part 4 (commencing with Section 71450). Members of the board of directors of the district who were elected on or before January 1, 2018, shall continue to serve their terms as provided in Section 71252.~~

~~(b) (1) Two members of the board of directors shall be appointed by the board of supervisors of the County of Los Angeles in a public meeting. The board of supervisors shall consider any nominations of candidates for appointment made by a water purveyor that purchases water from the district, if any, and may also consider other qualified candidates for appointment. Each member of the board of directors appointed pursuant to this subdivision shall possess the following qualifications:~~

~~(A) Residence within the boundaries of the district.~~

~~(B) Knowledge of the water industry, with at least five years of water industry experience, and familiarity with the role and responsibilities of a municipal water district.~~

~~(C) Current employment or representation of a water purveyor, including a water retailer, that purchases water from the district and that is a member of the Central Basin Municipal Water District purveyor advisory group.~~

~~(2) If a member of the board of directors appointed pursuant to this subdivision is unable to serve for the duration of his or her term, the board of supervisors shall appoint a member to fill that vacancy in the same manner specified in paragraph (1).~~

~~72772. The district shall not provide any member of its board of directors with district funds to conduct community outreach activities.~~

~~72770. Notwithstanding Section 71274, no ordinance, motion, or resolution relating to the ethics, compensation, or benefits of the members of the Central Basin Municipal Water District board of directors shall be passed or become effective without the affirmative votes of two-thirds of the members of the board.~~

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable

1 within the meaning of Section 16 of Article IV of the California
2 Constitution because of the unique circumstances of the Central
3 Basin Municipal Water District as described in the California State
4 Auditor's December 3, 2015, report number 2015-102.

5 SEC. 4. If the Commission on State Mandates determines that
6 this act contains costs mandated by the state, reimbursement to
7 local agencies and school districts for those costs shall be made
8 pursuant to Part 7 (commencing with Section 17500) of Division
9 4 of Title 2 of the Government Code.

10 SEC. 5. *This act shall become operative only if Assembly Bill*
11 *1794 of the 2015–16 Regular Session is enacted and becomes*
12 *effective on or before January 1, 2017.*